

VERMONT UNCLAIMED PROPERTY REPORTING MANUAL



**State of Vermont
The State Treasurer's Office
Unclaimed Property Division**



**Vermont State Treasurer's Office
Unclaimed Property Division**

Unclaimed Property Reporting Manual

December 2005

Vermont State Treasurer's Office Unclaimed Property Reporting Manual

Table of Contents

GLOSSARY OF COMMON UNCLAIMED PROPERTY TERMS.....	1
GENERAL OVERVIEW	3
GENERAL REPORTING INFORMATION.....	4
Holder Types	4
Property Type Codes and Property Description	5
SPECIFIC REPORTING REQUIREMENTS BY PROPERTY TYPE	5
Uncashed Checks and Amounts Owed.....	5
Property Reported by Financial Institutions.....	6
Funds Reported by Title Companies.....	7
Insurance – Related Property	8
Mutual Funds – Related Property	9
REPORTING SECURITIES	9
Securities – Related Property Codes	9
Physical Delivery of Securities	10
Electronic Remittance of Securities	11
Worthless or Non-Transferable Securities	12
THE REPORTING PROCESS.....	13
Jurisdiction to Escheat.....	14
Reciprocity	14
Important Dates.....	15
Dormancy Periods	15
Customer Contact or Last Transaction Date	16
Due Diligence	16
REPORT DETAIL CONSIDERATIONS.....	17
Number of Items to Report.....	17
Aggregating	17
Rolling Up	17
NEGATIVE REPORT.....	18
DELIVERY OF YOUR REPORT AND PAYMENT.....	18
REPORT CONTENT AND REPORT FORMATS	18
Electronic Reporting	18
Manual Reporting.....	19

REIMBURSEMENT	19
IMPORTANT CONSIDERATION.....	20
Extensions	20
Retention of Records	20
Penalties	20
Third Party Administrators.....	20
Scenarios that Do not Eliminate the Need to Report	21
VOLUNTARY COMPLIANCE PROGRAM OVERVIEW.....	22
Duration of Program	22
Eligibility	22
Ineligibility	22
Reach Back.....	22
Enrollment	23
Steps in Brief.....	23
REFERENCE TABLES & CONTACT INFORMATION	24
Checklist	25
Contact Information	25
Reference Table 1	26
NAUPA Property Types	26
Reference Table 2	29
Ownership and Relationship Codes.....	29
 ATTACHMENT A	
FORMS	
Holder Report Cover Sheet	
Safe Deposit Box Cover Sheet	
Inventory Sheet (Safe Deposit Box)	
Due Diligence Letter Sample	
Schedule A	
Schedule B (Securities)	
 ATTACHMENT B	
HRS PRO USER'S GUIDE	

GLOSSARY OF COMMON UNCLAIMED PROPERTY TERMS

Activity: action taken on property by the owner, including making a deposit or withdrawal, or a written memorandum to the holder. It does not include automatic transfers, payments, or charges.

Aggregate: a group of related property type items reported as a single line item. The owner names and addresses are not required to be included with the report if the property is valued at \$25 or less and reported as an aggregate.

Claimant: a person believing he or she is legally entitled to unclaimed property. The claimant is not necessarily the original owner of the property. A claimant could be an heir, or someone who has a legal right to claim the property on the owner's behalf.

Custodian: an individual or an entity that holds property for the benefit and care of the rightful owner until the property can be delivered to the rightful owner. The Vermont State Treasurer acts as a custodian until the rightful owners come forward and claim the property.

Cut-off date: the date prescribed in the Unclaimed Property Law for the determination of what items of property have met their dormancy thresholds.

Domicile: the state of incorporation of a corporation or the state of the principal place of business of an unincorporated person.

Dormancy Period: the time period during which an owner of property does not take any action on his or her property.

Due Diligence: the degree of effort a holder must use to find the rightful owner of unclaimed property before delivering the property to the state.

Escheat: a transfer of property that makes the state the legal owner. The State of Vermont itself does not escheat unclaimed property but holds it in trust for the owner.

Holder: the entity that controls unclaimed property until it is transferred to the owner or the state.

Indemnification: an agreement that protects a party from loss by transferring the responsibilities to a third party.

Intangible Property: property that represents or is negotiable to cash. Items such as a stock certificate that represent ownership interest in a company, or a savings bond that represents an obligation to pay a certain amount. Both are convertible to cash and represent cash values.

Last Known Address: a description of the location of the apparent owner sufficient for the purpose of the delivery of mail.

Lawful Charges: charges imposed by a holder against property in the holder's possession that are specifically authorized either by statutes, other than the state's unclaimed property law, or by a valid, enforceable contract.

National Association of Unclaimed Property Administrators (NAUPA): the national membership organization of state unclaimed property administrators.

Owner: the person having legal or equitable claim to the unclaimed property. (See "person".)

Person: any individual, business association, government or public subdivision, public corporation or authority, estate, trust, two or more persons having a joint or common interest; or any other legal or commercial entity.

Reciprocity: an agreement of understanding between states whereby each state agrees to exchange information and collect unclaimed property for others.

Report - (noun): the forms or documents filed by the holder with the state, listing items of escheated property and applicable owner information as required by the state's Unclaimed Property Statutes; **(verb):** the act of furnishing the required unclaimed property "report" to the state.

Tangible Personal Property: personal property presented by itself. Content of a safety deposit box, i.e. coins, jewelry, personal papers.

Unclaimed Property: tangible or intangible property unpaid or undelivered to the rightful owner for the time period specified by law.

Underlying shares: duplicate shares of stock, which have been issued by a business association, banking or financial organization. The original certificate for these shares is in the possession of the shareholders, who have failed to either cash the dividends checks or correspond with the issuing corporation.

GENERAL OVERVIEW

The Vermont Unclaimed Property Law requires that entities, holding unclaimed property, report such property to the Unclaimed Property Division of the Vermont State Treasurer's Office. Banks, insurance companies and corporations are among the many entities the State of Vermont requires to report such property. The law requires organizations to review their records annually and transfer accounts that have reached specified dormancy thresholds to the State Treasurer, who serves as a custodian of the funds until the rightful owners claim them.

To access the full text of the law via Internet, go to:

<http://www.leg.state.vt.us/statutes/statutes2.htm>. After accessing this site, select Title 27 – Property, Chapter 13 – Unclaimed Property, and the topic of interest (27 V.S.A. §§ 1208 – 1239).

The Vermont Unclaimed Property Law does not apply to land, real estate or any tangible property with the exception of the content of the safe deposit boxes, held by the banks.

The Unclaimed Property Reporting Manual might not provide all the information you need to complete your reporting responsibilities properly. If you cannot find an answer to your question, please contact our office and we would be glad to assist you. Our intent here is to familiarize reporters of unclaimed funds with general reporting requirements and procedures and present options available for preparing an accurate and timely report. The issues the manual addresses are of interest to all reporting organizations. They include:

- ❑ Important general information
- ❑ A review of the reporting process
- ❑ Explanation of the various types of reports and format options

GENERAL REPORTING INFORMATION

As a reporter of unclaimed property, holders play an integral role by supplying Unclaimed Property Division with the proper account detail in the prescribed format.

We review each report for accuracy and, on approval, add the reported detail to our database of unclaimed property owners. Using this database, we process and pay claims against reported property. Maintaining the integrity of our data is very important to the proper and timely payment of claims. Adhering to the reporting requirements is critical to the process.

Holder Types

Include, but not limited to:

- I. Banking and financial organizations, including:
 - ☐ State and Federal Banks;
 - ☐ Trust Companies;
 - ☐ Savings Banks;
 - ☐ Savings and Loan Associations;
 - ☐ Credit Unions and Investment Companies.
- II. Business associations wherever located, domiciled or incorporated, such as:
 - ☐ Corporations;
 - ☐ Joint Stock Companies;
 - ☐ Partnerships;
 - ☐ Business Trusts;
 - ☐ Cooperatives;
 - ☐ Insurance Companies.
- III. Utilities owned or operated for public use, including:
 - ☐ Communications;
 - ☐ Electricity;
 - ☐ Gas;
 - ☐ Water;
 - ☐ Steam;
 - ☐ Solid Waste Collection.
- IV. Other Legal Entities including:
 - ☐ State, County, and City Governments;
 - ☐ Public Corporations;
 - ☐ Nonprofit Organizations;
 - ☐ Estates;
 - ☐ Trust or other legal or commercial entities.

Property Type Codes and Property Description

Unclaimed property is intangible personal assets and contents of safe deposit boxes owed to an individual or business. Property is considered unclaimed after it is held for an extended period of time with no owner contact and an effort was made to locate the owner. Unclaimed property can be divided into two categories:

I. General Ledger types:

- ☐ Wages
- ☐ Accounts credits
- ☐ Uncashed checks
- ☐ Utility deposits
- ☐ Patients refunds
- ☐ Insurance proceeds

II. Securities-related types:

- ☐ Stocks
- ☐ Dividend payments
- ☐ Interest
- ☐ Bonds

Preparing your report, select the property type code from NAUPA Property Codes Table (see page 26) that best describes the original property of the missing owner. Use the miscellaneous outstanding check code (MS16) only as a last resort when the nature of the uncashed check is truly unknown.

SPECIFIC REPORTING REQUIREMENTS BY PROPERTY TYPE

Uncashed Checks and Amounts Owed

- ☐ **MS01 - Wages & Uncashed Checks** – the two-year period applies to all methods of payroll distribution, including checks and payroll cards;
- ☐ **CK01 – CK99 - Uncashed Checks** (other than payroll) – are considered unclaimed after three years. Dormancy commences on the date of the original check issue date. If an actual check was not issued, use the date the amount was payable to the owner. Reissuing a check does not change the date it should be remitted as unclaimed property.
- ☐ **MS10, MS11 - Rebates and Discounts** – property with the applicable three-year dormancy period. Note, if a customer never submits his/her request for a rebate or discount, those rebates or discounts should not be considered unclaimed property.
- ☐ **CK13 - Vendor Checks** and **all other types of accounts payable** have the three-year dormancy period.

No amounts may be written off to income or surplus.

Property Reported by Financial Institutions

- ❑ **AC03 - Certificates of Deposit** – the dormancy period for matured certificates of deposit is three years. The dormancy commences on the day following the **first** maturity of the certificates – that is, the day following the end of the first term. Thus, unclaimed certificate of deposit must be recovered three years from the dates the owners were first able to recover funds without penalties.
- ❑ **AC03 - Automatically Renewable Certificates of Deposit** – are reported under the same criteria as other certificates of deposit. If you have had no contact with the owner for three years from the day following the first maturity, the certificates should be reported as unclaimed property. Depositing the CD interest in another account that has no activity, or the non-return of interest checks by the post office does **not** constitute contact.
- ❑ **MS14 - Individual Retirement Accounts** – have dormancy period of three years, which begins on the **mandatory distribution date**. Under federal law, the mandatory distribution date is April 1 of the calendar year following the calendar year in which the owner of the IRA reaches age 70 ½. If some event, such as death of an owner, occurs prior to the owner reaching age 70 ½, commence the dormancy period from the date of the owner's death, if the existence or whereabouts of any beneficiaries are unknown to you.
- ❑ **TR01 – TR99 - Corporate Trust Property and Paying Agent Accounts** – separate reports must be filed for **each** issue of stock and **each** issuing company's Federal Employer Identification Number (FEIN) must be provided. This requirement does not apply to bearer bonds, which may be combined on one report using your institution's FEIN.
- ❑ **MS13, SD03 - Unclaimed Loan Collateral** – has three-year dormancy period. This period begins on the date the loan was paid in full. There are three criteria for collateral to be reported as unclaimed:
 - The loan has been paid in full or charged off **and**
 - There has been no customer contact for three years **and**
 - The owner's whereabouts are unknown.

Each time collateral in the vault is physically inventoried and matched to the collateral file receipts, items that cannot be matched to an unpaid loan should be identified. These items should be audited for the time span from payoff date. Letters should be mailed to the customers, reminding them to collect their collateral. Any items not retrieved are reportable as unclaimed property after the three-year dormancy has passed.

When reporting unclaimed loan collateral, two property type codes are available. Select property type code **SD04** for tangible property set aside for a loan. Examples of tangible property reported as collateral are jewelry, stock certificates, deeds, etc. In this case, please follow all requirements for reporting and remitting safe deposit boxes.

Loan collateral that will be remitted as **cash** should be coded with property type code **MS13**. Examples of unclaimed property type, reported as MS13, are savings accounts, certificates of deposit, etc.

The person or entity that pledged the loan collateral should be listed as the owner of property. If the loan was in the name of a person or entity other than the owner of the collateral, enter the loan name in the comment field of the report.

For charged-off or defaulted loans, any amount of money received for the collateral that exceeds the amount of the unpaid loan must be remitted as unclaimed property.

- ❑ **SD01 - Safe Deposit Boxes** – the five-year dormancy period commences on the date the last rental payments expired. All boxes should be drilled and inventoried prior to preparing your report. Use special Safe Deposit Box Report Cover Sheet and Inventory Sheet to report safe deposit box content. Do not send Report Cover Sheet together with the content of the safe deposit boxes.

Funds Reported by Title Companies

- ❑ Any funds, including **TR04 - Escrow Accounts**, that have not been claimed and for which there has been no activity or current contact with the owner for three years, must be reported as unclaimed.
- ❑ **TR04 - Earnest Money** – funds held because of the nonperformance of the conditions of the escrow agreement. In transactions involving earnest money, both the buyer and the seller have an undivided interest in the entire amount. Therefore, both the buyer and the seller are considered the “owner” under the statutes, and both parties’ names should be listed on your report. The person who placed the money in escrow, usually the buyer, should be reported as the primary owner. The other parties should be listed as additional owners. However, if you have communicated with both buyer and the seller within the last three years, and they cannot agree on the disposition of the funds, the account would not be unclaimed and should not be remitted as unclaimed property.

If the contract stipulates that the seller may claim the funds under the specific conditions, and documenting evidence in your file indicates that those conditions exist, the seller’s name would then be listed as the owner on your report. The buyer would not be listed as an additional owner.

If you have contact with one party, but a release cannot be secured from missing party, the funds should be reported three years from the date of last contact with the missing party or date of scheduled closing. If one party believes he is entitled to the funds, his claim is not diminished when the funds are remitted as unclaimed property. If you have contact with both the buyer and the seller, the funds should not be reported.

- ❑ **Other Escrow Funds** – amounts placed in escrow at closing should be reported in the name of the party who provided the funds. A portion of the seller's payoff held to ensure all taxes were paid and repairs were completed, as an example. Once the taxes are paid, repairs are made, or other conditions of the escrow agreement are met and funds remain unclaimed, the seller's name would be reported as the owner of the unclaimed funds. The buyer would not be entitled to the funds.

Any kinds of service charges or fees may not be deducted from funds that are reported as unclaimed property unless stipulated in the contract and acknowledged by the signatures on the contract.

Escrow funds and earnest funds should be reported using property type TR04.

No amounts may be written off to income or surplus.

Insurance – Related Property

- ❑ **IN01 – Individual policy benefits and claim payments** - provide policy numbers and names of insured; claim numbers if applicable;
- ❑ **IN02 – All group policy benefits and claim payments**, excluding death benefits – provide employer names and policy numbers; names of insured; claim numbers if applicable;
- ❑ **IN03 – Death benefits on individual or group policies** – provide policy numbers and names of insured; claim numbers if applicable; dates of birth of insured if available. When reporting death benefits, the beneficiary should be listed as the owner of the property;
- ❑ **IN04 – Matured policies, endowments, and annuities** – provide the policy number and name of insured;
- ❑ **IN05 – Premium refunds on individual policies** – provide the policy number and name of insured;
- ❑ **IN06 - Unidentified premium payments or remittances** – provide any information available; owner name will be reported as unknown;

- ❑ **IN07** – All **other insurance-related property** not described above – provide a complete description of the property;
- ❑ **IN08** – **Agent credit balances** – provide dates of employment and the agent's social security number;
- ❑ **IN99** – **Aggregate** insurance-related properties less than \$25;
- ❑ **CK10** – **Expense checks or drafts** – provide check number; description of expense, if available;
- ❑ **CK13** – **Vendor checks or drafts** – provide invoice number and check number;
- ❑ **MS01** - **Employee wages** – provide employee's social security number;
- ❑ **MS02** – **Commission checks** - provide agent's social security number.

Mutual Funds – Related Property

- ❑ **SC16** – **Mutual fund shares** – dormancy commences when either a sum payable is unclaimed or the first piece of mail is Returned by the Post Office (RPO). At the time the shares become unclaimed, the entire account and any cash proceeds due the owner are also considered unclaimed. The cash proceeds should be reported as dividends with property type code SC01.
- ❑ **SC01** - **Income distribution** or **Capital gains distribution** checks. If checks, issued for distribution proceeds, are outstanding or returned by the Post Office, those check should be reported as credit balances, using property type SC20.

REPORTING SECURITIES

Securities – Related Property Codes

- ❑ **SC01** – **Cash Dividends** -Include the issue name of eth security in eth description field.
- ❑ **SC02** – **Registered Bond Interest** - due an owner of a registered security. Do not use this code to report interest paid on a bearer bond.
- ❑ **SC07** – **Bearer Bond Interest & Matured Principal** The owner should be listed as “unknown”. A complete description, including issue name, series, bond number and all outstanding coupon numbers must be provided. The total cash amount of unclaimed interest and principal should be provided in the cash amount remitted field.

- ❑ **SC08 – Undelivered Shares (i.e. Stock Returned by the Post Office (RPO))**
This shares are normally the result of a stock split or stock dividend. The issue name of the security must be included in the description field.
- ❑ **SC10 – Unexchanged Shares** - Arising from a merger or buy-out should be reported with this code. Provide the number of shares of the **successor corporation** in the shares field remitted field. These are the shares that will be remitted to the State Treasury with your report.
- ❑ **SC12 – Underlying Shares** - These shares are presumed to be in the possession of the shareholder. The certificates must be canceled on the books of the issuer and reissued to the State of Vermont name.
- ❑ **SC13 - Liquidation or Redemption Proceeds** – Report cash only under this property code. The issue name of the liquidated security and number of shares presumed to be in the possession of the shareholder should be listed in the description field. The shares remitted filed should not be completed. The total cash amount due each shareholder should be provided in the cash amount remitted field.
- ❑ **SC16 – Mutual Funds** - These shares must be reissued to the State of Vermont name.
- ❑ **SC18 – Matured Principal on a Registered Bond** - Do not use this code to report matured principal on a bearer bond (use SC07).
- ❑ **SC19 – Dividend Reinvestment Plans** – Report DRP shares after the Dividend Reinvestment Plan statements have been returned from the post office (after those shares have been subjected to SEC-required due diligence efforts). Review the investment account history from the date of the RPO forward to determine if there was shareholder-generated activity during the state-prescribed dormancy period.

Physical Delivery of Securities

If you are remitting shares, they must be registered to the State of Vermont Treasurer's Office.

Certificates must be mailed with the report. Mutual funds and dividend reinvestment plans should also be transferred into our name (see information above) and a confirmation sent with the report. When reporting Mutual Funds, please be sure to include the complete fund name and the CUSIP Number for the fund. If you are reporting dividends along with securities, you can put them on the same report. Please include the following information on your report of securities:

- ❑ Owner's Name

- ☐ Last Known Address
- ☐ Social Security Number
- ☐ Last Activity Date
- ☐ NAUPA Property Type
- ☐ CUSIP Number and/or Any Other Identifying Number

Please report only one stock issue or mutual fund account per report.

The aggregate amount does not apply when securities and dividends are reported together.

IMPORTANT SECURITIES MAILING INSTRUCTIONS

SECURITIES must be registered to:

Vermont State Treasurer's Office
Tax ID 03-6000274

Mail your REPORT, SECURITIES, RELATED CASH to:

Vermont State Treasurer's Office
Unclaimed Property Division
Pavilion Bldg (4th Floor)
109 State Street
Montpelier, VT 05609-6200

Electronic Remittance of Securities

Holders may choose to deliver securities electronically to the state's custodian, the Unclaimed Property Clearinghouse.

Before delivering securities electronically, a holder **MUST notify Clearinghouse** via fax 617-722-9660, Attn: Joseph Scorzoni, at least **48 hours in advance** as to what to be delivered.

The fax should list the following information:

- ☐ Issue name
- ☐ Issue CUSIP number
- ☐ Share amount per issue
- ☐ Holder's DTC number

Please note on your report that the shares are being settled electronically through DTC (Depository Trust Corporation).

**IMPORTANT
DTC DELIVERY INSTRUCTIONS**

DTC # 0954
Account #: AUZF2000002
Account Name: State of Vermont
Agent bank # 26017

Worthless or Non-Transferable Securities

Please do not report worthless or non-transferable securities to our office. If these do become transferable, or gain value, report and remit the shares at that time. You will not be penalized for late reporting in these situations.

If you are reporting securities from a safe deposit box, please use the Instructions for Reporting Safe Deposit Box Contents.

THE REPORTING PROCESS

The process for reporting unclaimed funds is as follows:

1. **Review the Unclaimed Property Law** to determine which sections of the Law apply to your organization.
2. **Review your books and records** to determine which items are dormant.
Based on the statute's provisions, you must determine the types of properties to be examined and their associated dormancy periods. Using this information, review your books and records to establish which properties are subject to reporting.
3. **Perform due diligence.**
All reporting organizations are required to perform due diligence prior to remitting any funds to the State of Vermont. Please review the mandated statutory requirements of the Unclaimed Property Law, considering due diligence timing and the accounts value.
4. **Calculate the number of items to be reported.**
Report format options are based on the number of items you report. Important considerations in determining this number are: multiple owner accounts, aggregation and account roll up. Each of these considerations is described in detail in the Report Detail Consideration Chapter of this manual.
5. **Select a format** based on the number of items and allowable parameters.
Choose a format based on the number of accounts to report. Please note that using an electronic format is preferable whenever possible.
6. **Enter data** into chosen format.
Provide complete owner and account information.
7. **Update the report** as required.
Once you have prepared a report, you should make routine updates that note any account activity, e.g., customer contact, re-activation, etc. You should update reports continually until the report is final.
8. **Finalize report.**
After completing all account adjustments, recalculate the amount being remitted within property type and in total.
9. **Remit cash/securities.**
Depending on the type of property due, arrange for appropriate delivery.

Jurisdiction to Escheat

The primary right to escheat intangible personal property belongs to the state of the owner's last known address, as shown on the records of the holder.

If no last known address is shown on the holder's records, the property is escheatable by the state of holder's domicile, i.e. the lack of address does not relieve holder from the obligation to report and remit unclaimed property.

Reciprocity

Reciprocity provides holders with the opportunity to file unclaimed property reports for many states through one agent state. Agent state is the state in which the holder's place of business is located.

The State of Vermont can accept incidental property for other states under the reciprocal agreements, although it is the holder's responsibility to follow each state's unclaimed property law when reporting through Vermont, as an agent state.

Safe deposit boxes are except from reciprocal reporting and must be reported to the state in which boxes are located.

Reciprocal reporting is not a requirement. It is up to each holder to decide if they want to report directly to each state.

Issues to consider if a holder decides to take advantage of reciprocal reporting:

- ❑ Report and remit in accordance with each state's Unclaimed Property Law;
- ❑ Identify and subtotal all accounts by state;
- ❑ Identify aggregate accounts by state;
- ❑ Identify "Negative Reports" by each state;
- ❑ Notify each reciprocal state of your intent to file unclaimed property report through the state in which you are located.

Important Dates

Vermont's filing date of the unclaimed property report is **May 1**. This is the date when reports with remittances are due for the previous calendar year.

Holder Type	Property Type	Dormancy Period	Last Activity Date	Reporting Period	Report & Remit Due
All Holders	Wages	2 years	01/01/03-12/31/03	01/01/05-12/31/05	5/01/06
Corporations	Stock, Dividends, Vendor Checks, Credit Memos, Pensions, etc.	3 years	01/01/02-12/31/02	01/01/05-12/31/05	5/01/06
Banks & Financial Institution	Dormant Accounts, Uncashed checks	3 years	01/01/02-12/31/02	01/01/05-12/31/05	5/01/06
Banks	Safe deposit boxes	5 years	01/01/00-12/31/00	01/01/05-12/31/05	5/01/06

Dormancy Periods

To review dormancy periods applicable to each property type, please see Reference Table 1 "NAUPA Property Codes" (page 26).

All property types may be combined by their dormancy periods into following groups:

2 years – Payroll, Demutualization Proceeds, Property Distributable in Dissolution;

5 years – Safe Deposit Box Contents;

7 years – Money Orders;

15 years – Traveler's Checks;

3 years - All Other Property Types

Customer Contact or Last Transaction Date

Customer contact is an owner-generated activity on the dormant account or written correspondence from the customer, in regards of the particular account. The absence of the customer contact is one of the criteria for property to be reported as unclaimed.

If customers respond to your due diligence mailing, you are excused from reporting their property to the State Treasurer's Office for another two or three years from the date of their responses or the date of the last activity on the account.

The last activity date is the date of the last deposit or withdrawal made by the owner, the date dividends became payable, or the date the check or draft was issued. It may also be the date when property became distributable to the owner or the date of mandatory withdrawal. If the reported property was instrument payable on demand, the date it was issued should be used.

The date of computer conversion or the check reissue date **shall not** be used as the date of last contact.

Phone contact is not regarded as a customer contact.

Customer contact restarts dormancy clock.

Due Diligence

The holder should make an effort to locate the missing owner before the annual Unclaimed Property Report is filed. The holder is obligated under Chapter 13 of V.S.A. Title 27 to attempt to communicate with the owner before property is presumed abandoned, if all of the following apply:

1. The holder has an address in the holder's records for the apparent owner and the records do not indicate that the address is inaccurate.
2. The claim of the apparent owner is not barred by any other law of this state.
3. The value of the property is at least twenty-five dollars.

The holder shall send a written notice to the owner advising the owner that the property is about to be turned over to the Unclaimed Property Division. This is to be done not more than 120 days prior to filing an Unclaimed Property Report. Due diligence is the responsibility of the holder.

The earlier you make contact, the better chance you have of re-establishing your relationship with the customer. This helps eliminate the awkward and embarrassing instances where your customer comes forward the day after you have mailed the report and funds to our office.

See sample of a Due Diligence letter on in the "Attachment A" Section of the manual.

REPORT DETAIL CONSIDERATIONS

Number of Items to Report

If you have more than 10 items to report, you need to submit your report in electronic format on CD or floppy disk. (See Section “Report Formats” of this manual).

If you have 10 or fewer items to report, you are allowed to report manually, using provided form. (See Section “Report Formats” of this manual).

Aggregating

By law, reporters of unclaimed property are allowed not to provide owner or property information for unclaimed accounts valued at \$25.00 or less. These items may be aggregated and described on your unclaimed property report as explained below. When aggregation items are under \$25.01, you must group the individual items into one aggregate amount for each property type. This type of record should contain data as follows:

Owner's Last Name	The word “Aggregate”
Property Type	Appropriate code from the Property Type Table that should always end in “99” (e.g., CK99)
Escheated Amount	Aggregate sum for the property type entered

If a single owner has multiple amounts under \$25.00 payable in the same year for the same property type, it is in the best interest of the owner to sum these amounts prior to aggregating. If the sum of the multiple amounts is greater than \$25.00, you should exclude them from aggregate reporting and report them as a single item, using the property information from the most recent item and the sum of all items as the escheated value. Refer to the Rolling Up section below, if the sum is less than \$25.01, you may include the multiple amounts in an aggregate record.

Records containing unclaimed securities cannot be aggregated.

Rolling Up

You may not aggregate amounts greater than \$25.00. However you may combine amounts of \$25.01 or greater payable to a single owner in a given year and reportable under the same property type, e.g., quarterly dividend checks. When rolling up dividends, use the last check number and date as a reference for the property. You should use the Comment field to indicate the number of dividends included.

NEGATIVE REPORT

A “negative report” is a statement attesting to the fact that you have reviewed your books and records and determined that there are no unclaimed properties to report. Negative reports are not required by Vermont statute; however, Vermont companies are requested to send us one. Please use a regular Report Form to file a negative report. An authorized office of the reporting organization must sign the report, and the signature must be notarized.

DELIVERY OF YOUR REPORT AND PAYMENT

Payment must accompany each report. **The check for the total amount of the report**, should be made payable to the Vermont State Treasurer’s Office and delivered to the following address:

Vermont State Treasurer's Office
Unclaimed Property Division
Pavilion Bldg (4th Floor)
109 State Street
Montpelier, VT 05609-6200

REPORT CONTENT AND REPORT FORMATS

Report Content

Regardless of the format, every report should contain the following:

- ☐ Owner’s Name (Last, First, Middle)
- ☐ Owner’s Last Known Address
- ☐ Social Security Number (if available)
- ☐ Last Activity Date;
- ☐ NAUPA Property Type
- ☐ Any Supporting Account, Check Numbers or Comments

Electronic Reporting

All holders reporting more than ten (10) accounts **must** file their reports electronically. Mail your report on CD or 3.5" diskette to us at 109 State Street, Montpelier, Vermont

05609-6200, along with a hard copy of the report for our backup. Reports not received according to the prescribed format will be returned for correction.

To create the electronic file, you have two options, both available from [Wagers & Associates](#):

1. Wagers Holder Reporting System
2. NAUPA Standard Electronic Format

Please also download the HRS Guide to prepare and file your report electronically. In fact, you may just want to bookmark the [Wagers & Associates](#) Web page for future reference and periodic updates.

Please refer to the Part II of this manual to review HRS Pro User's Guide.

Manual Reporting

A holder with fewer than ten(10) accounts may report using Schedule A (see this form in the Attachment A Section of the manual). When reporting on the paper form, all information must be typed or clearly printed in ink.

REIMBURSEMENT

After a report is submitted, a holder may choose to repay the owner directly or may determine that items within the report were filed in error. In these cases, the holder may seek reimbursement by submitting the Holder Request for Reimbursement form along with the required documentation* substantiating the repayment or error.

Request Content: Enter all data necessary to identify property for which the holder is seeking reimbursement.

1. **Date Paid to Claimant or Date Account Reactivated** – the date the claim was paid to the owner (or their representative) or the date when the holder reactivated the account.
2. **Report Year** – the year in which the holder reported the property to the State of Vermont.
3. **Amount Remitted** – the amount transmitted by the holder, to the State, for the property in question.
4. **Owner Name and Address** – the full name and address of the owner as it is shown on the report. If “unknown” at time of reporting, indicate that on the request. If the account was reported in the aggregate, please indicate in the “Account/Reference Number” column.
5. **Account/Reference Number** – the identification number of the property as it was reported.

Holder Information: The holder must provide the Unclaimed Property Division with the complete company identification (Company's Name, FEIN, Address, Contact Names and Phone Numbers), in order for the State of Vermont to process the holder's reimbursement request.

*Supporting documentation consists of a copy of cancelled check(s)—front and back or proof of account reactivation.

Totals of reimbursement requested cannot be subtracted from subsequent reports.

IMPORTANT CONSIDERATION

Extensions

If you are unable to comply with any statutory or regulatory requirement in a timely manner you may request an extension of time to file the unclaimed property report.

Request for extensions should describe the circumstances that prevent timely compliance and should indicate the amount of additional time needed to properly comply. Request for extension should be submitted at least 30 days before the report due date.

Retention of Records

A business with unclaimed property is required to retain its records for 10 years after filing a report. You may be contacted by the Division to verify previously reported information.

Penalties

If a holder is late delivering unclaimed property, State of Vermont can charge that holder a penalty of not more than \$10 for each day the reporter fails to render a report or perform other duties required under the Vermont Unclaimed Property law.

"Any person who willfully refuses to pay or deliver Unclaimed Property to the State Treasurer's Office as required under this chapter shall pay a penalty equal to 25 percent of the value of the property which should have been paid or delivered..." (V.S.A. Title 27, Chapter 13).

Third Party Administrators

All businesses are responsible for filing reports on behalf of their branches, divisions or other affiliated entities.

Third Party Administrators, recordkeepers and paying agents are not obligated to report unclaimed property on behalf of a company but may enter into agreements with the company to do the reporting. These agreements **do not** relieve the company of its statutory responsibility.

Scenarios that Do not Eliminate the Need to Report

The following scenarios do not eliminate the need for reporting property to the State of Vermont:

- ❑ Telephone or verbal contact
- ❑ Internal activity, such as service charges, crediting of interest and dividends, automatic dividend reinvestment, or automatic withdrawals
- ❑ Automatic deposit from one otherwise dormant account into another dormant account, as in the case of a transfer of interest from a time account into another dormant savings account.
- ❑ The statement “Void after XXX days” printed on the face of check. Even though the business indicates the check is not valid after a specified period of time, the underlying obligation still exists and funds should be reported as unclaimed property after reaching their dormancy thresholds.

VOLUNTARY COMPLIANCE PROGRAM OVERVIEW

Under Vermont Statutes, every business entity is required to report unclaimed property assets to the State of Vermont annually. For those entities that have not been aware of their legal duty or discovered any unclaimed funds that have been mistakenly omitted from the previous years reports, the State Treasurer's Office introduces its Voluntary Compliance Program. This Program is a unique opportunity for Holders to bring their companies into compliance with the Vermont Unclaimed Property Law without any penalties and/or interest being assessed.

The purpose of the Voluntary Compliance Program of the Vermont Unclaimed Property Division of the State Treasurer's Office is to assist companies that are not in compliance with the Unclaimed Property Act to come into compliance while avoiding penalties. We encourage holders of any unclaimed funds to come forward and take advantage of this opportunity to report unclaimed property free of penalties and/or interest.

Duration of Program

The penalty-free period extends six months from the signing of the Voluntary Compliance Agreement by both parties.

Eligibility

As a “one-time opportunity” Voluntary Compliance Program applies to the first-time reporters of unclaimed property and to holders, who have filed in the past, but recognize that they have failed to report a particular type of property or underreported in the past, and have come forward voluntarily to correct the error, if:

1. A Holder is not currently under examination;
2. A Holder has not been contacted by the Treasurer's Office (or the third party acting on behalf of the office) of its intent to conduct an unclaimed property examination.

Ineligibility

You are ineligible for voluntary compliance once we contact you regarding an audit.

Reach Back

Reach-back period is the five preceding report years.

Enrollment

A holder, considering participation in the Voluntary Compliance Program, should request a “Voluntary Compliance Agreement” by mail, fax or e-mail. Upon confirmation of the eligibility of your company to participate in the Voluntary Compliance Program, we will mail you a Voluntary Compliance Agreement that needs to be signed by an authorized officer of your organization.

Once the completed and executed Agreement is returned to the Vermont Unclaimed Property Division it will be reviewed and, if approved, signed by an authorized representative of the Division.

Then the holder will be furnished the special “Compliance Report Cover Sheet” with the due date of the holder’s report stamped on the front page. The holder must submit “Compliance Unclaimed Property Report” by the indicated due date in order to avoid assessment of any penalties and/or interest.

Steps in Brief

- ❑ Request “Voluntary Compliance Agreement”;
- ❑ Sign “Voluntary Compliance Agreement” and mail it back to the Vermont Unclaimed Property Division;
- ❑ Report unclaimed property by the due date stamped on the Compliance Report Cover Sheet, issued specifically for your organization.

REFERENCE TABLES CONTACT INFORMATION

Checklist

To review before mailing your unclaimed property report:

- ☐ Have you mailed an owner notification letter?
- ☐ Have you entered the required holder and remittance information on the front page of your report form?
- ☐ Have you signed and notarized the Holder Report Cover Sheet?
- ☐ Have you enclosed your check made payable to the Vermont State Treasurer's Office?
- ☐ Have you followed the Instructions for Securities Remittance?
- ☐ Have you included the diskette containing the owner detail?

If reporting mutual funds:

- ☐ Have the mutual funds been transferred to an account in the name of the Vermont State Treasurer's Office, Unclaimed Property Division?
- ☐ Have you enclosed the mutual fund confirmation statements?
- ☐ Do you need help?

Contact Information:

By Phone at 802-828-2407 or or **TOLL-FREE** 1-800-642-3191 (Vermont only)

By Mail at: Vermont State Treasurer's Office, Unclaimed Property Division, 109 State Street, Montpelier, VT 05609-6200

By e-mail at Treasurers_Office@state.vt.us

Visit our **Web site:** www.vermonttreasurer.gov

Reference Table 1

NAUPA Property Types (Dormancy periods listed in parenthesis)

ACCOUNT BALANCES DUE

AC01 (3) Checking Accounts
AC02 (3) Savings Accounts
AC03 (3) Matured Certificates of Deposit or Savings Certificates
AC04 (3) Christmas Club Accounts
AC05 (3) Money on Deposit to Secure Funds
AC06 (3) Security Deposits
AC07 (3) Unidentified Deposits
AC08 (3) Suspense Accounts
AC99 (3) Aggregate Account Balances Due

UNCASHED CHECKS

CK01 (3) Cashier's Checks
CK02 (3) Certified Checks
CK03 (3) Registered Checks
CK04 (3) Treasurer's Check
CK05 (3) Drafts
CK06 (3) Warrants
CK07 (7) Money Orders
CK08 (15) Traveler's Check
CK09 (3) Foreign Exchange Checks
CK11 (3) Pension Checks
CK12 (3) Credit Checks or Memos
CK13 (3) Vendor Checks
CK14 (3) Any Checks Written Off to Income/Surplus
CK15 (3) Outstanding Official Checks or Exchange Items
CK16 (3) CD Interest Checks
CK99 (3) Aggregate Uncashed Checks

COURT DEPOSITS

CT01 (3) Escrow Funds
CT02 (3) Condemnation Awards
CT03 (3) Missing Heirs' Funds
CT04 (3) Suspense Accounts
CT05 (3) Bail or Deposits Made With a Court or Public Authority
CT99 (3) Aggregate Court Deposits

INSURANCE

IN01 (3) Individual Policy Benefits or Claim Payments
IN02 (3) Group Policy Benefits or Claim Payments
IN03 (3) Death Benefits Due Beneficiaries
IN04 (3) Proceeds from Matured Policies/Endowments/Annuities

IN05 (3) Premium Refunds on Individual Policies
IN06 (3) Unidentified Remittances
IN07 (3) Other Amounts Due Under Policy Terms
IN08 (3) Agent Credit Balances
IN10 (2) Proceeds or Shares of Stock from Demutualization
IN99 (3) Aggregate Insurance Property

MINERAL PROCEEDS

MI01 (3) Net Revenue Interests
MI02 (3) Royalties
MI03 (3) Overriding Royalties
MI04 (3) Production Payments
MI05 (3) Working Interests
MI06 (3) Bonuses
MI07 (3) Delay Rentals
MI08 (3) Shut-in Royalties
MI09 (3) Minimum Royalties

MISCELLANEOUS INTANGIBLE PROPERTY

MS01 (2) Wages, Payroll, Salary
MS02 (3) Commissions
MS03 (3) Worker's Compensation Benefits
MS04 (3) Payment for Goods and Services
MS05 (3) Customer Overpayments
MS06 (3) Unidentified Remittances
MS07 (3) Unrefunded Overcharge
MS08 (3) Accounts Payable
MS09 (3) Credit Balances/Accounts Receivable
MS10 (3) Discounts Due
MS11 (3) Refunds Due
MS12 (3) Unredeemed Gift Certificates
MS13 (3) Unclaimed Loan Collateral
MS14 (3) Sums Payable Under Pension/Profit Sharing Plans
MS15 (2) Property Distributable as Result of Dissolution
MS16 (3) Miscellaneous Outstanding Checks
MS17 (3) Miscellaneous Intangible Personal Property
MS18 (3) Suspense Liabilities
MS99 (3) Aggregate Miscellaneous Property

SECURITIES

SC01 (3) Dividends
SC02 (3) Interest Payable on Registered Bonds
SC03 (3) Code Deleted
SC04 (3) Equity Payments
SC05 (3) Profits
SC06 (3) Funds Paid Toward Purchase Shares/Interest in Financial
SC07 (3) Bearer Bond Interest And Matured Principal
SC08 (3) Shares of Stock (Returned by Post Office)

SC09 (3) Cash for Fractional Shares
SC10 (3) Unexchanged Stock of Successor Corporation
SC11 (3) Any Other Certificates of Ownership
SC12 (3) Underlying Shares/Outstanding Certificates of Owners
SC13 (3) Liquidated/Redemption Unsurrendered Stocks/Bonds
SC14 (3) Debentures
SC15 (3) U.S. Government Securities
SC16 (3) Mutual Funds
SC17 (3) Warrants
SC18 (3) Matured Principal on Registered Bonds
SC19 (3) Dividend Reinvestment Plans
SC20 (3) Credit Balances
SC21 (3) Cash in Lieu of Stock
SC22 (3) Stock Split
SC99 (3) Aggregate Securities - Related Cash

TANGIBLE PROPERTY

SD01 (5) Safe Deposit Box Contents
SD02 (5) Other Safekeeping Items
SD03 (3) Other Tangible Property

TRUST, INVESTMENT, AND ESCROW ACCOUNTS

TR01 (3) Paying Agent Accounts
TR02 (3) Undelivered Dividends or Uncashed Dividends
TR03 (3) Funds Held in a Fiduciary Capacity
TR04 (3) Escrow Accounts
TR05 (3) Trust Vouchers
TR99 (3) Aggregate Trust Property

UTILITIES

UT01 (3) Utility Deposits
UT02 (3) Membership Fees
UT03 (3) Refunds or Rebates
UT04 (3) Capital Credit Distributions
UT99 (3) Aggregate Utility Property

VT01 (3) Cash Assets
VT02 (3) Miscellaneous

Reference Table 2

Ownership and Relationship Codes

ADMINISTRATOR	AD
ATTORNEY FOR.....	AF
AGENT FOR.....	AG
AND	AN
AND/OR.....	AO
BENEFICIARY	BF
CO-CONSERVATOR.....	CC
CUSTODIAN FOR	CF
CONSERVATOR	CN
ESTATE OF	ES
EXECUTOR OR EXECUTRIX	EX
FOR BENEFIT OF	FB
GUARDIAN	GR
HEIRS.....	HR
INSURED.....	IN
IN TRUST FOR.....	IT
JOINT TENANTS IN COMMON	JC
JOINT W/RIGHT OF SURVIVORSHIP	JT
OR	OR
PAYEE	PA
POWER OF ATTORNEY	PO
PERSONAL REPRESENTATIVE	PR
REMITTER	RE
SOLE OWNER	SO
AS TRUSTEE FOR.....	TE
UNIFORM GIFT MINORS ACT	UG
UNKNOWN.....	UN

ATTACHMENT A

FORMS

ATTACHMENT B

HRS Pro User's Guide
